



Additional Information Supplementing
October 2009 Comments on Notice of Proposed Rulemaking
16 CFR Part 310 Telemarketing Sales Rule
Debt Relief Amendments, R411001

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US Debt Resolve Background

- First in industry
 - ISO 9001-2000 Certified
 - National Bank Certification
- Standards Commitment
 - Supporter of Original UDMSA
 - Suitability Check list for clients
- Value - added Service
 - Education Programs
 - Career Training
 - Financial Management Tools



US Debt Resolve Company Stats

General Comparison, debt statistics 2007-2009

Average Consumer Debt Load	\$31,411
Average Credit Card Account Balance	\$5,646
Average Amount of Accounts	6.1
Average Length in Program	37

Statistics Provided:

- US Debt Resolve Average Data of All Clients Enrolled from 2007-2009



The Basics: Program Calculations

Basic Program Calculation:

Service Fee	=	Debt (X) Service Fee %
Savings	=	Debt (X) Est. Savings %
Total Cost of Program	=	Savings (+) Service Fee
Monthly Payment	=	Monthly Payment (/) Months in Program

2007 Fee model	Fee collected evenly over 18 months
2008 Fee Model	First 3 payments remainder paid over duration of program
2009 Fee model	First payment remainder paid over duration of program



2008 Model Specifications

Formula:

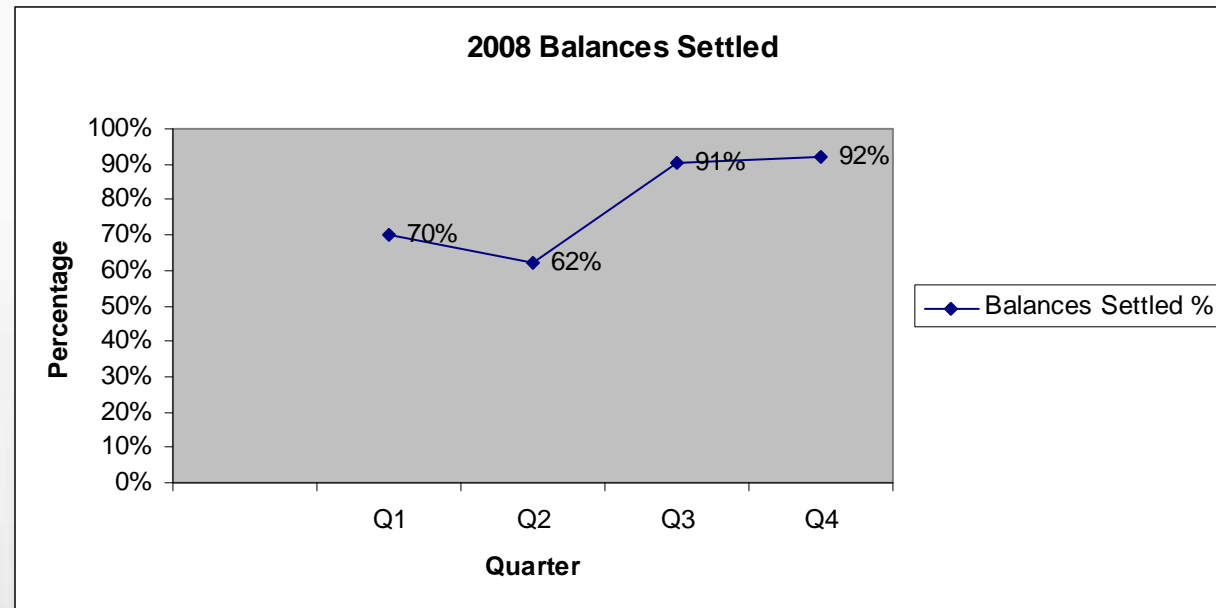
# of Accounts to Settle Per Month	$\frac{\text{\# of Accounts aged > 210 Days}}{\text{Average Length of Program}}$
Total \$ of Accounts to Settle Per Month	$\frac{\text{\$ of Accounts aged > 210 Days}}{\text{Average Length of Program}}$

Example:

# of Accounts to Settle Per Month	$\frac{18,368 > 210 \text{ Days}}{40 \text{ Months}} = 460 \text{ Accounts Per Month}$
Total \$ of Accounts to Settle Per Month	$\frac{\$94,586,0373 > 210 \text{ Days}}{40 \text{ Months}} = 2.36 \text{ Million}$



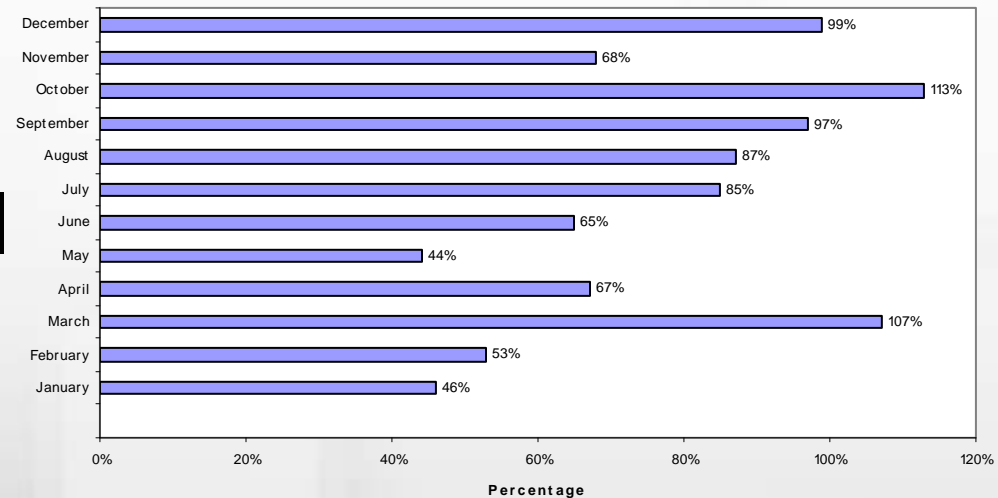
KPI Tracking – Key performance indicators - Quarterly reviews are done by Senior Management





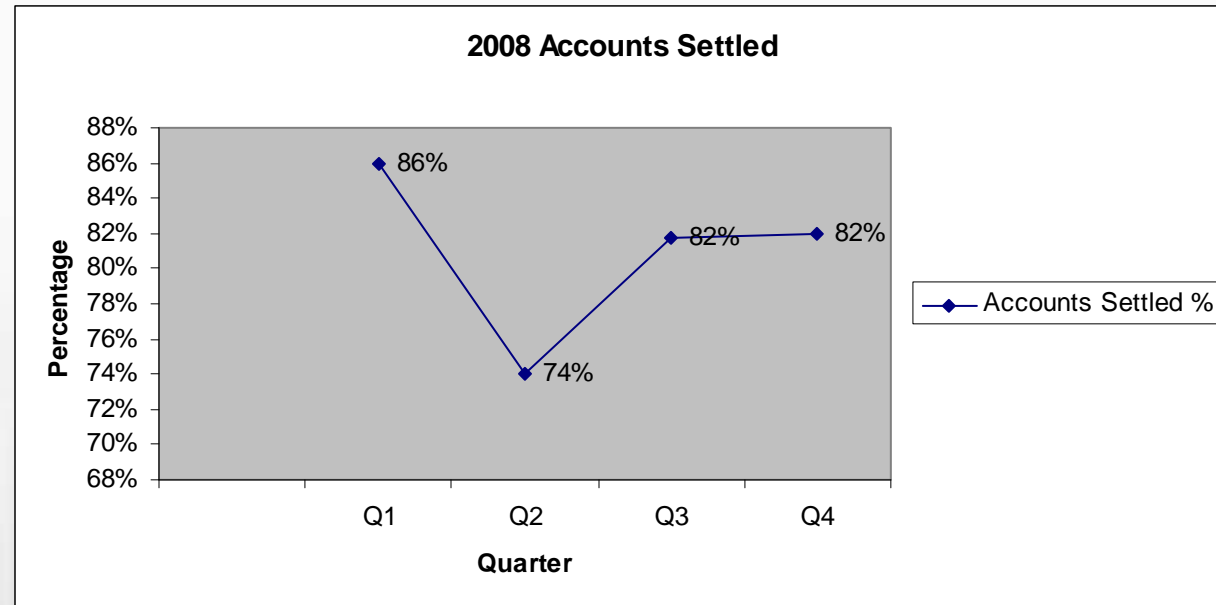
Adjustments to forecasting are reviewed weekly as well as monthly – daily run rates are reviewed by line managers

2008 Balances Settled





KPI Tracking includes accounts as well as balances

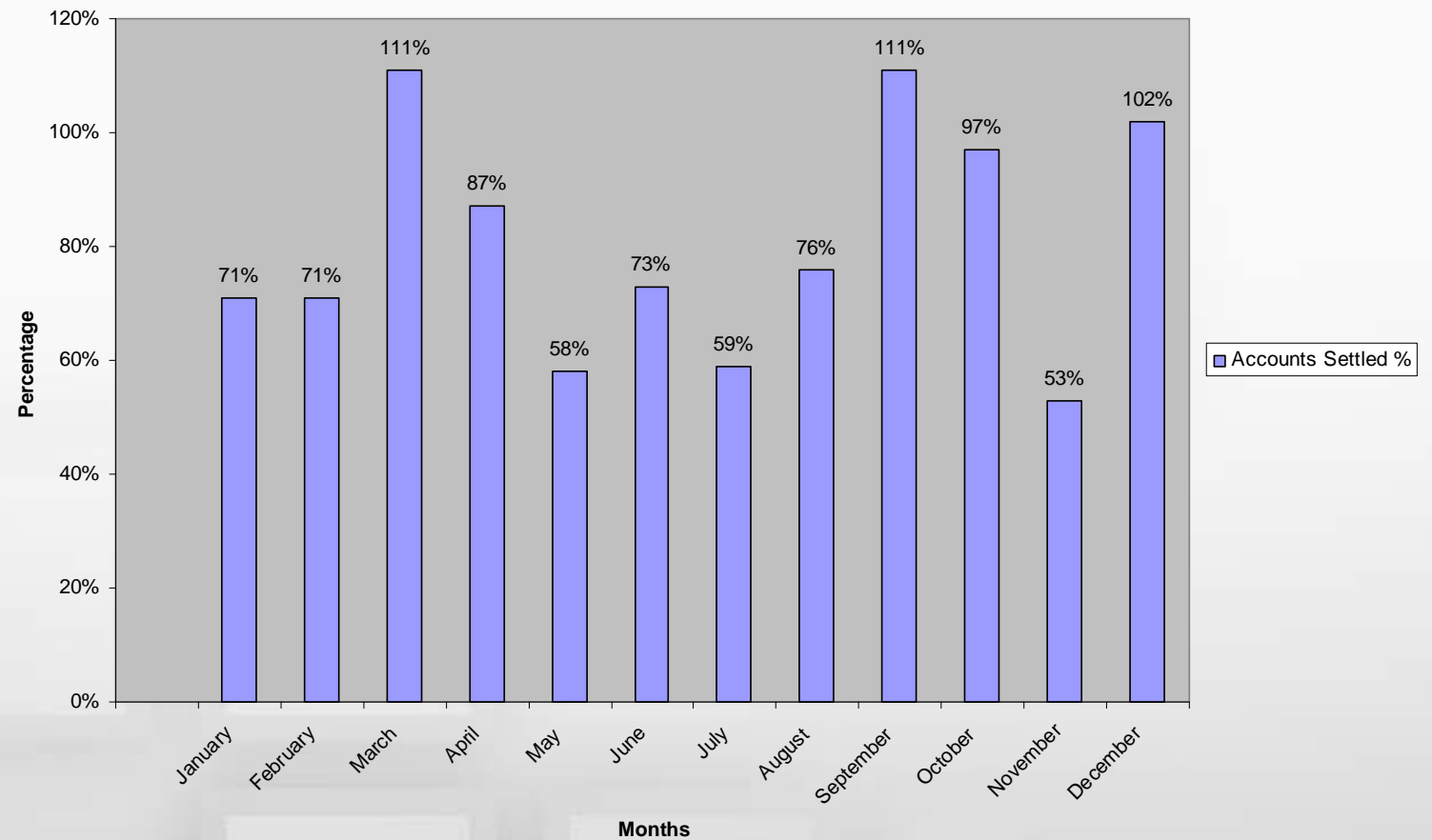




Comprehensive data indicates 81% performance for both accounts and balances

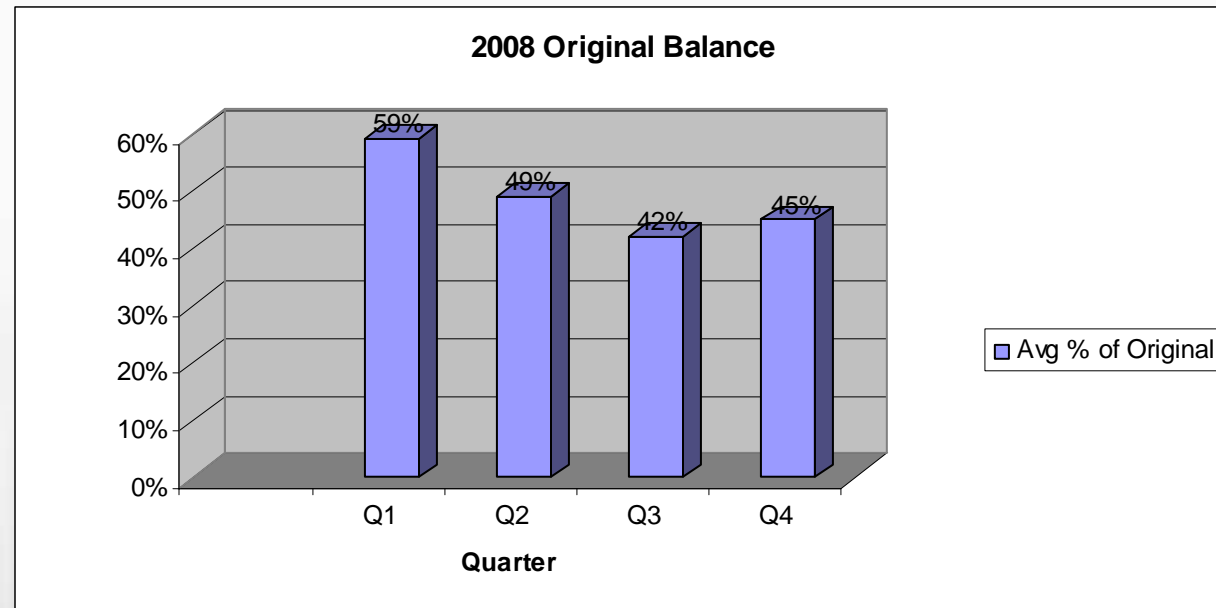


2008 Accounts Settled





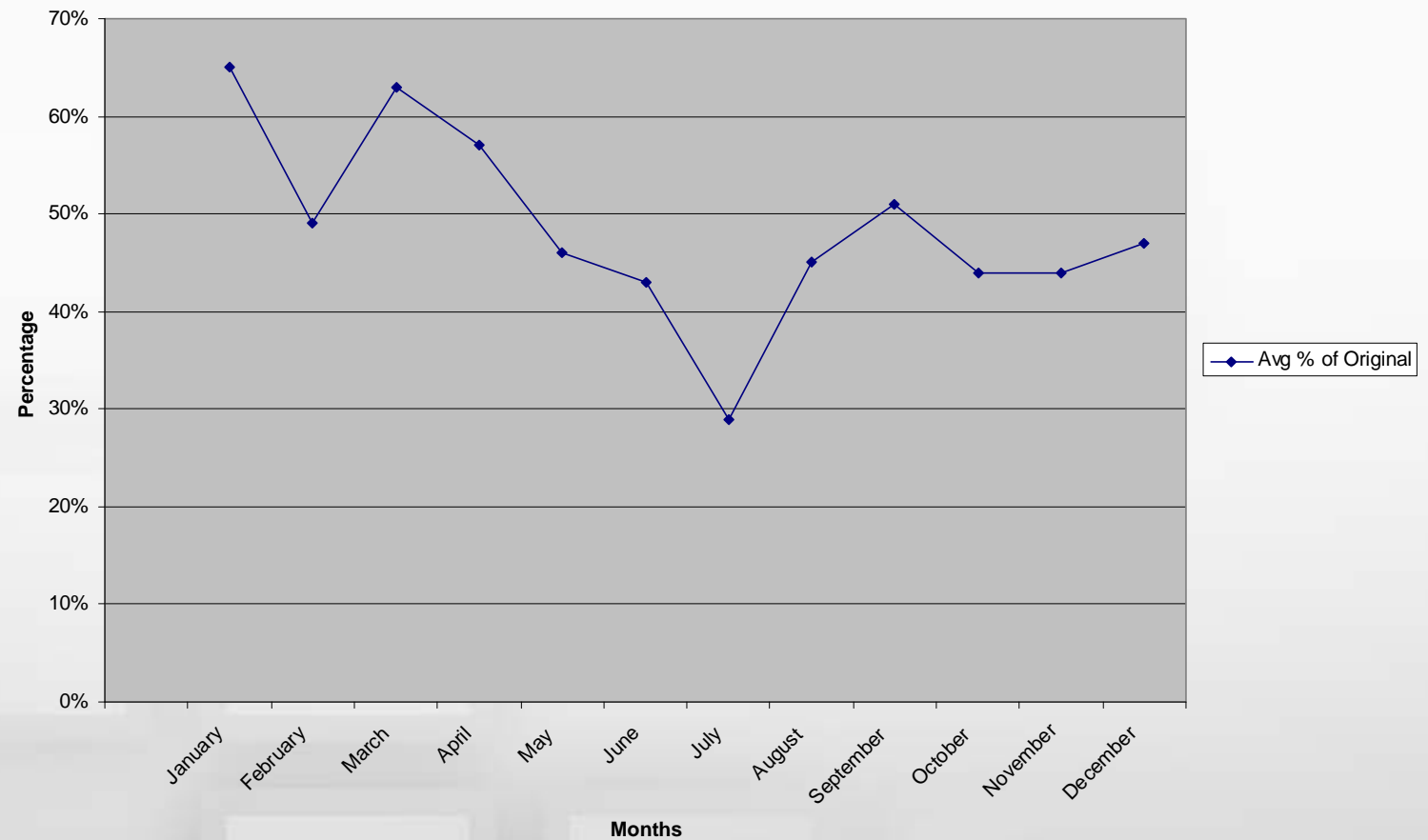
A significant KPI measurement is performance compared to original balance





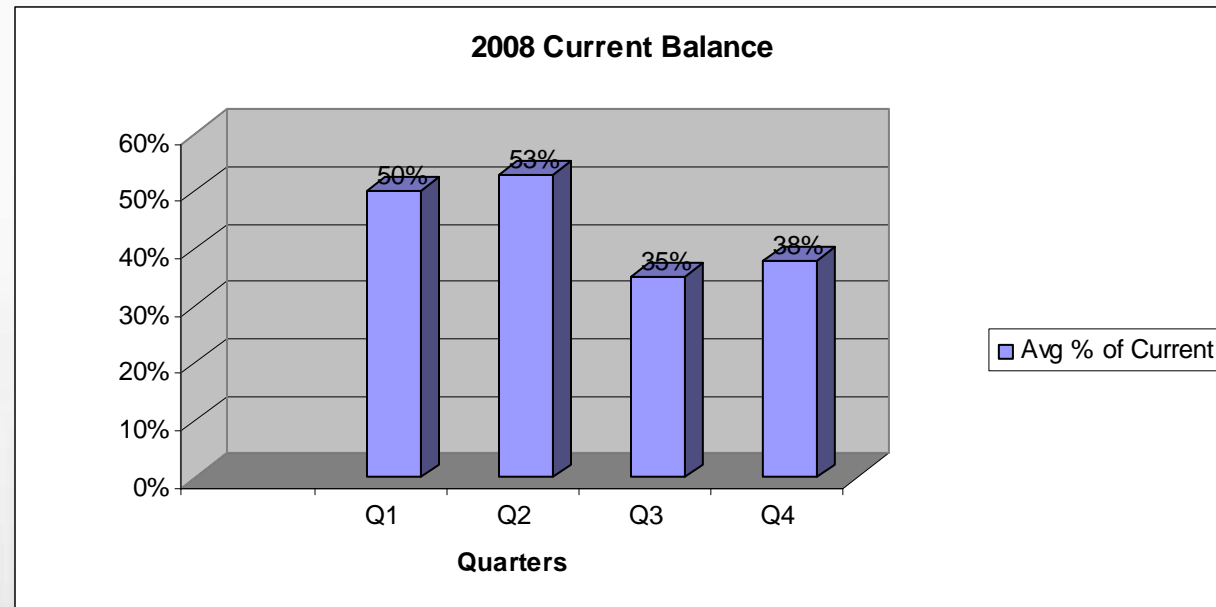
Trends on balance performance reflect market conditions, client contributions and macro economic factors

2008 Original Balance





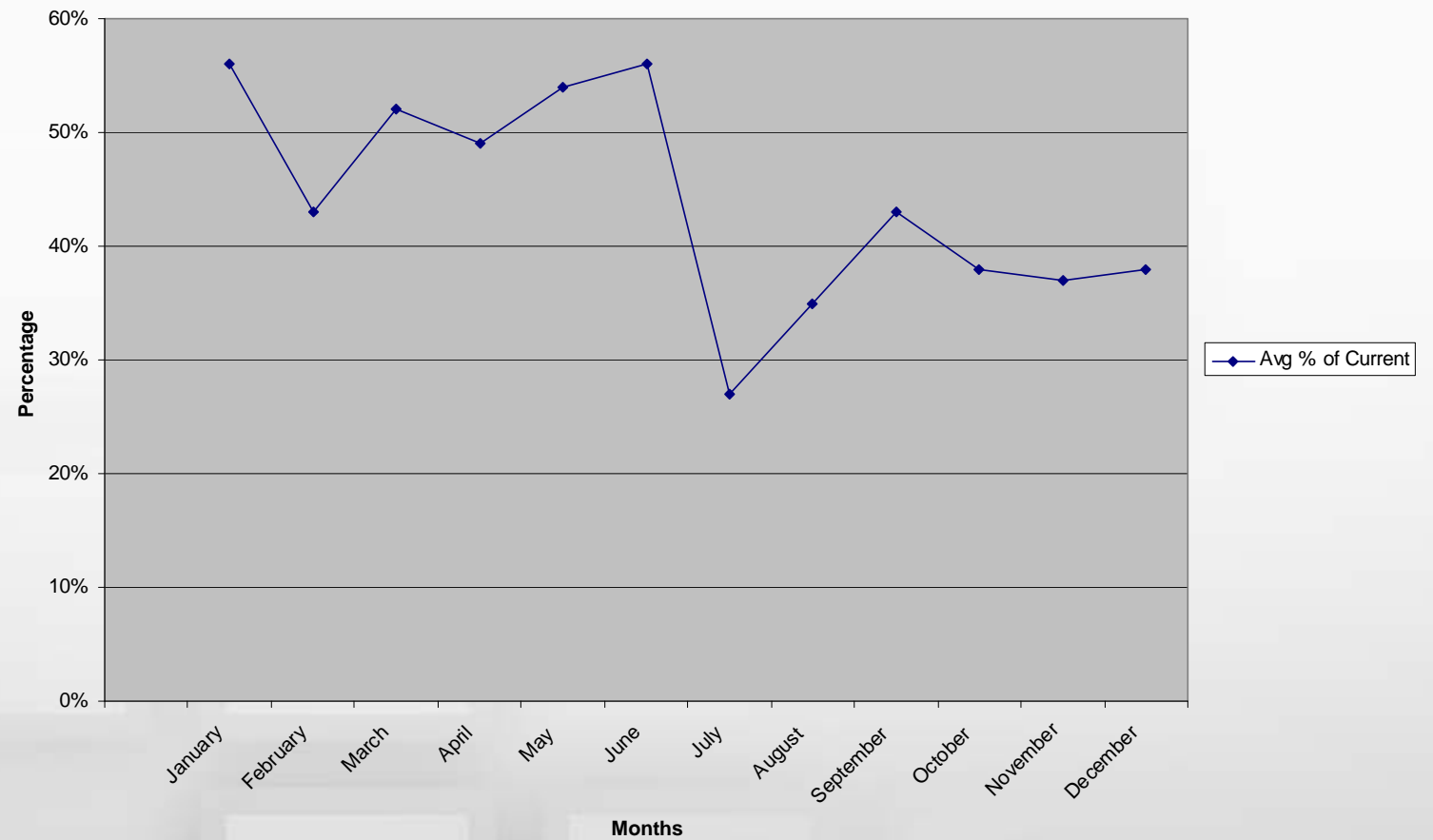
Comprehensive data indicates 49% performance for original balances and 44% for current balances settled





KPI monthly Current Balance breakout

2008 Current Balance





2009 Model Specifications

Formula:

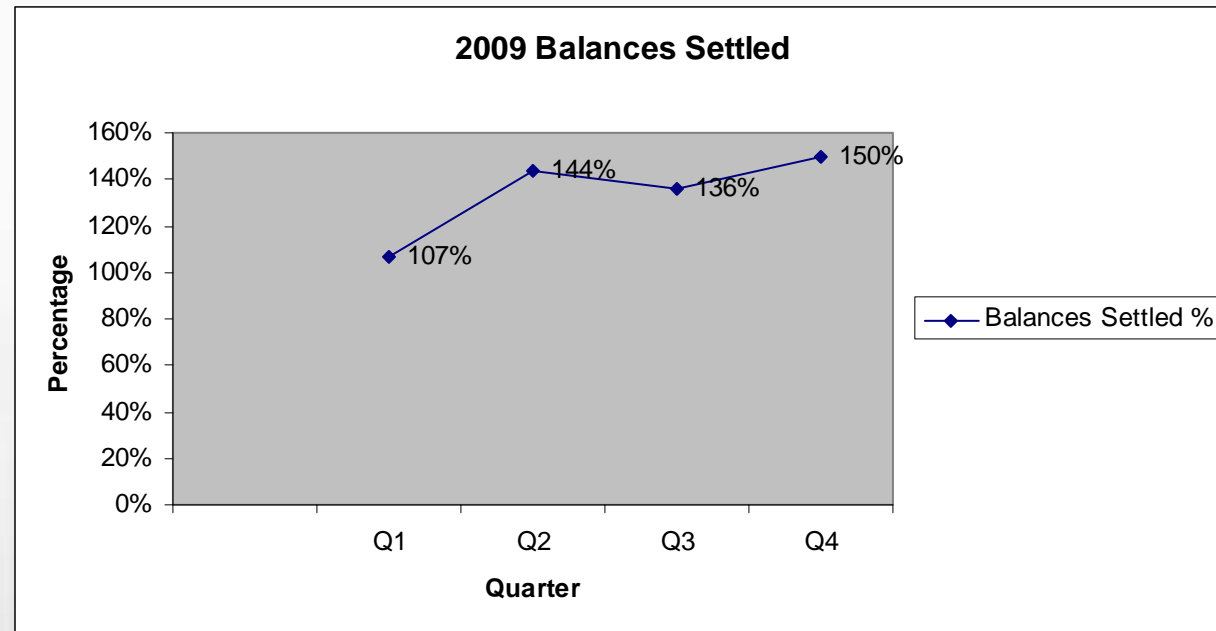
# of Accounts to Settle Per Month	$\frac{\text{\# of Accounts aged > 120 Days}}{\text{Average Length of Program}}$
Total \$ of Accounts to Settle Per Month	$\frac{\text{\$ of Accounts aged > 120 Days}}{\text{Average Length of Program}}$

Example:

# of Accounts to Settle Per Month	$\frac{20,572 > 120 \text{ Days}}{36 \text{ Months}} = 571 \text{ Accounts Per Month}$
Total \$ of Accounts to Settle Per Month	$\frac{\$ 106,051,361 > 120 \text{ Days}}{36 \text{ Months}} = 2.945 \text{ Million}$



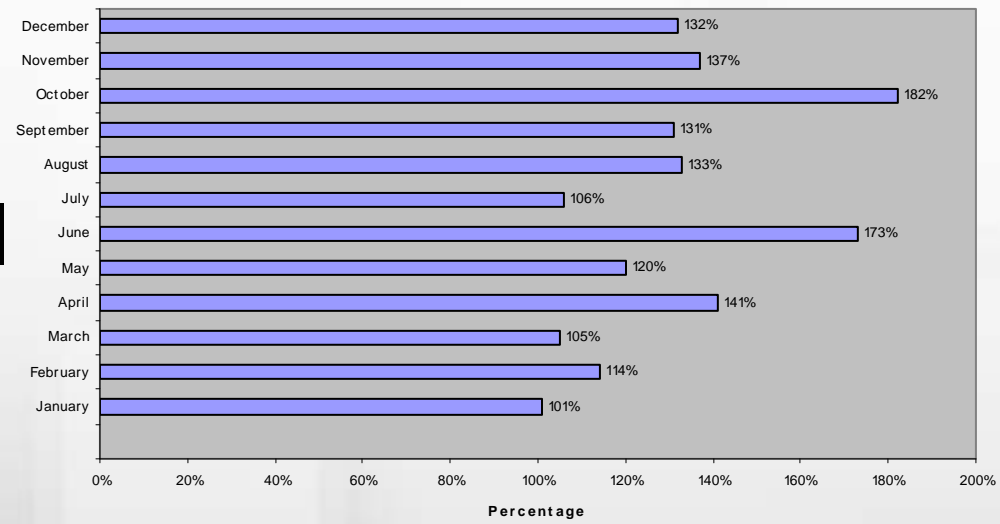
Improvement in performance is a direct result of implementation of a new service fee model, operational enhancement and reporting, and improved debt owner relationships



KPI – 2009 monthly breakout

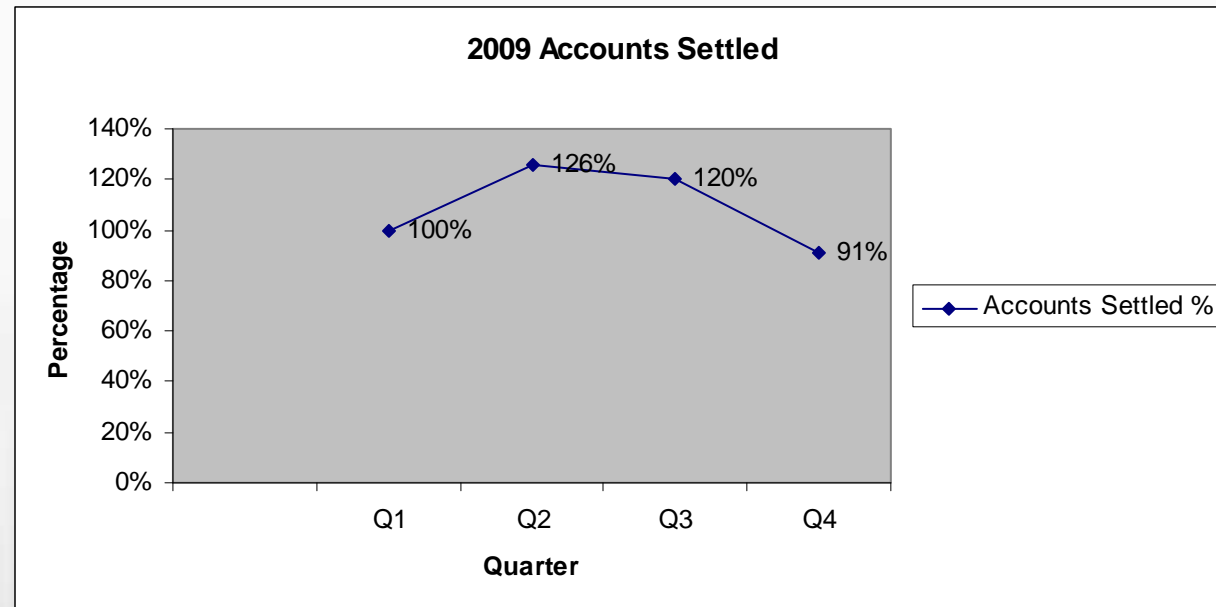


2009 Balances Settled





Improvement of accounts settled is attributable to both company performance and increased loss rates of major lending institutions

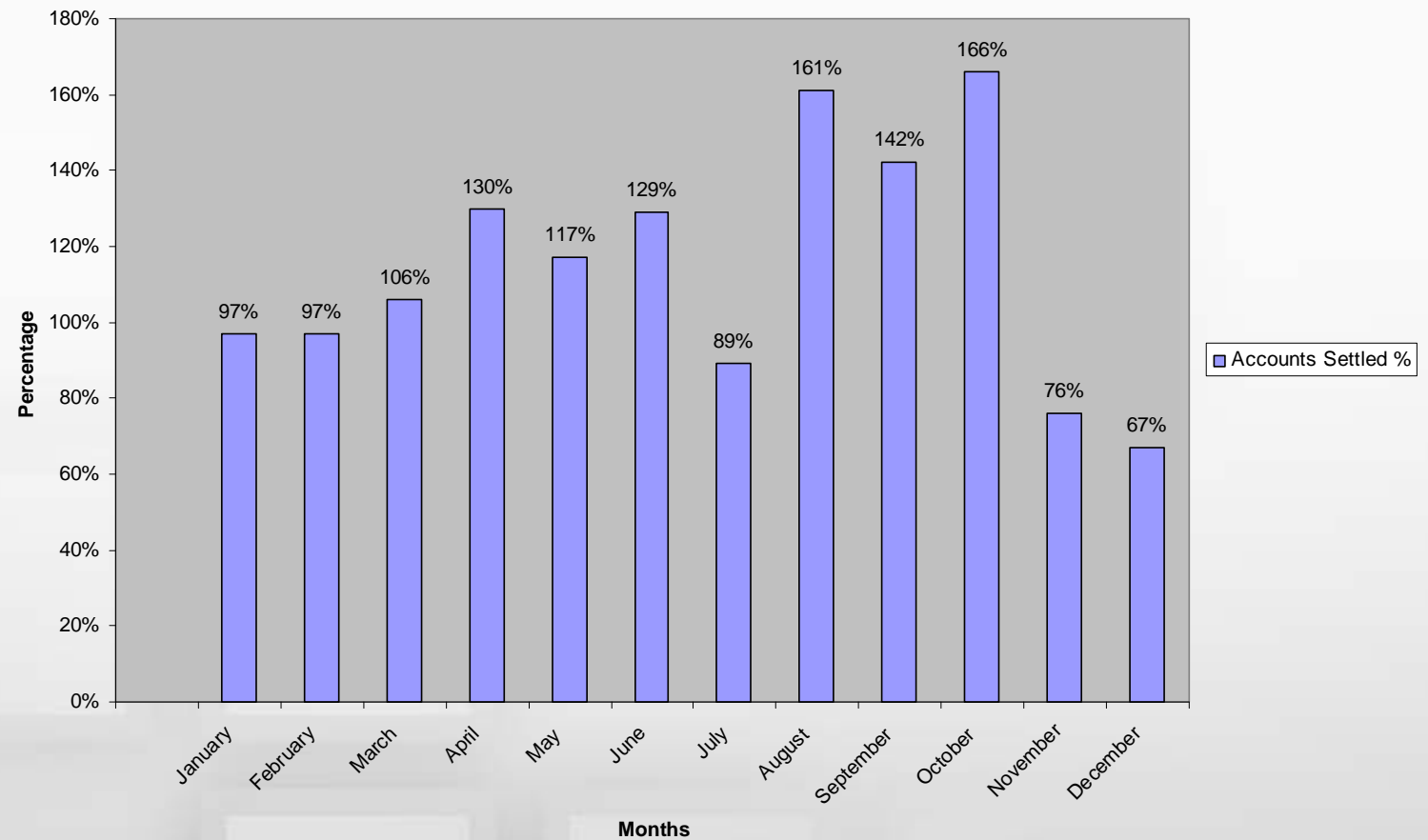




Comprehensive data indicates 107% performance for accounts and 135% for balances settled

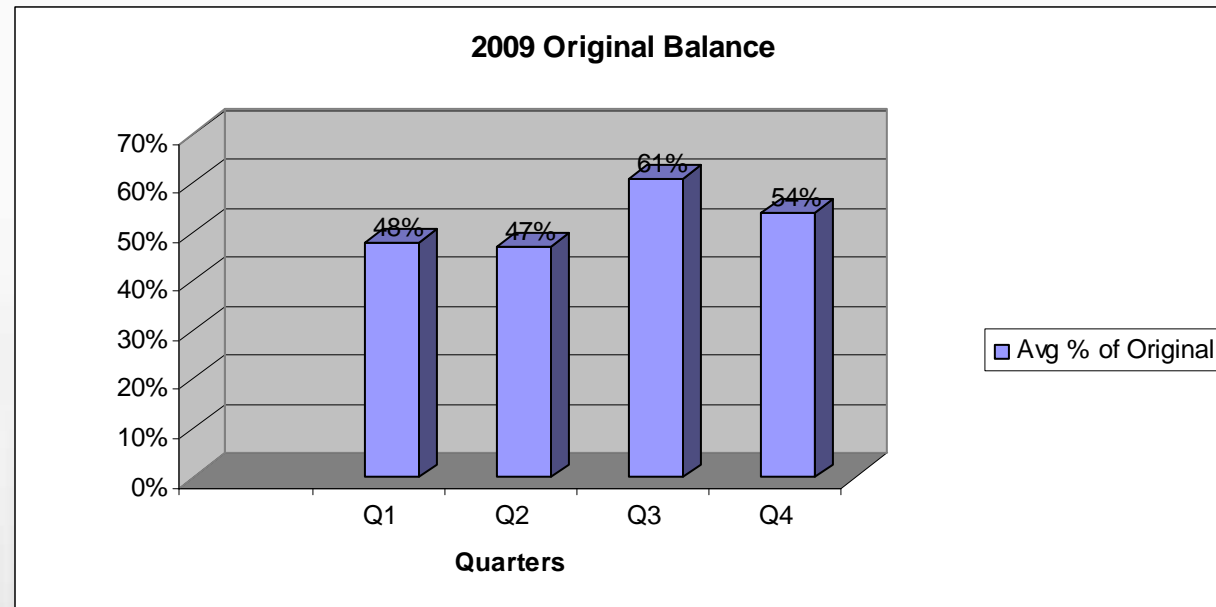


2009 Accounts Settled





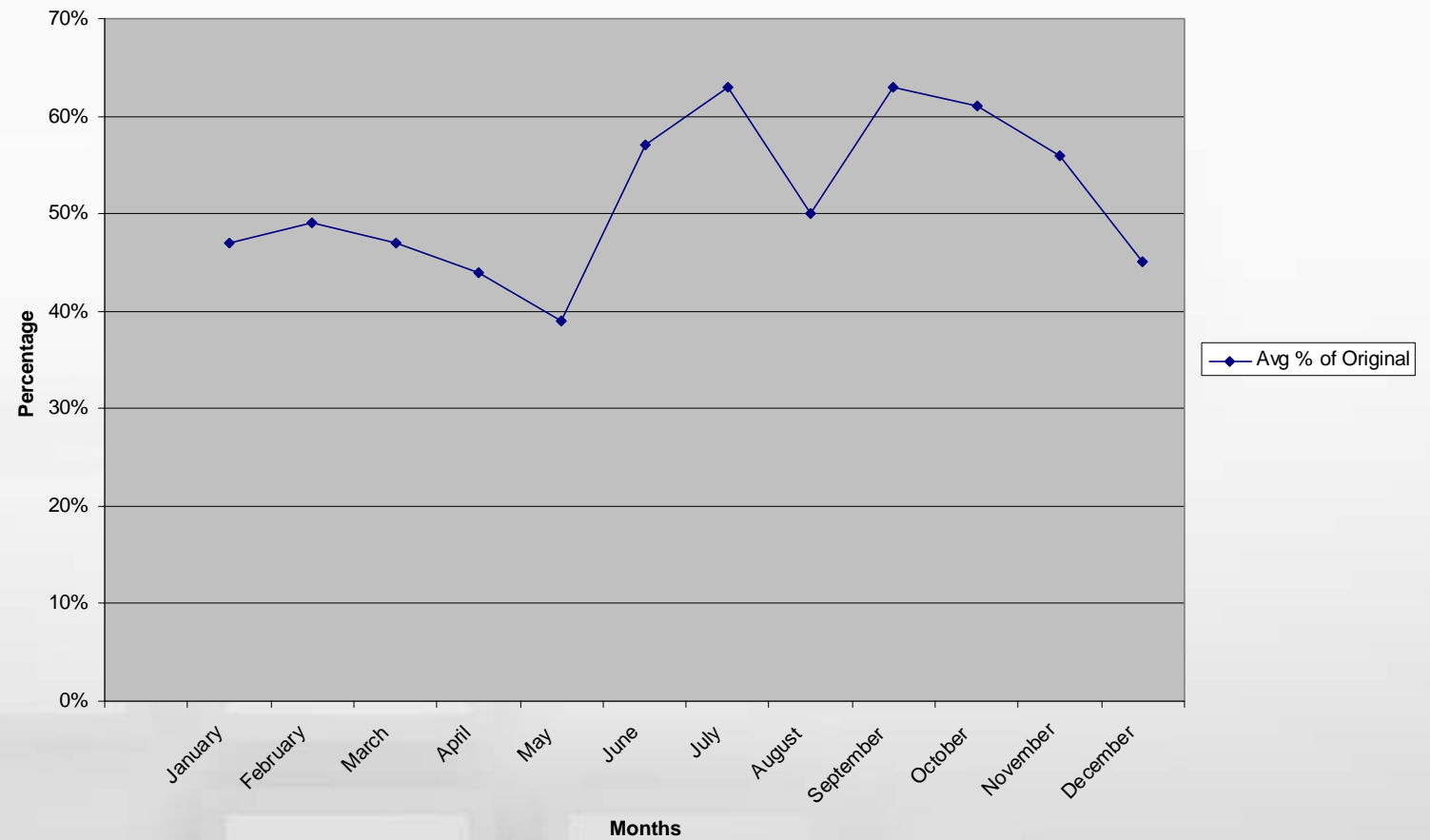
An increase to settlement percentages is a result of significant increase in debt owner litigation





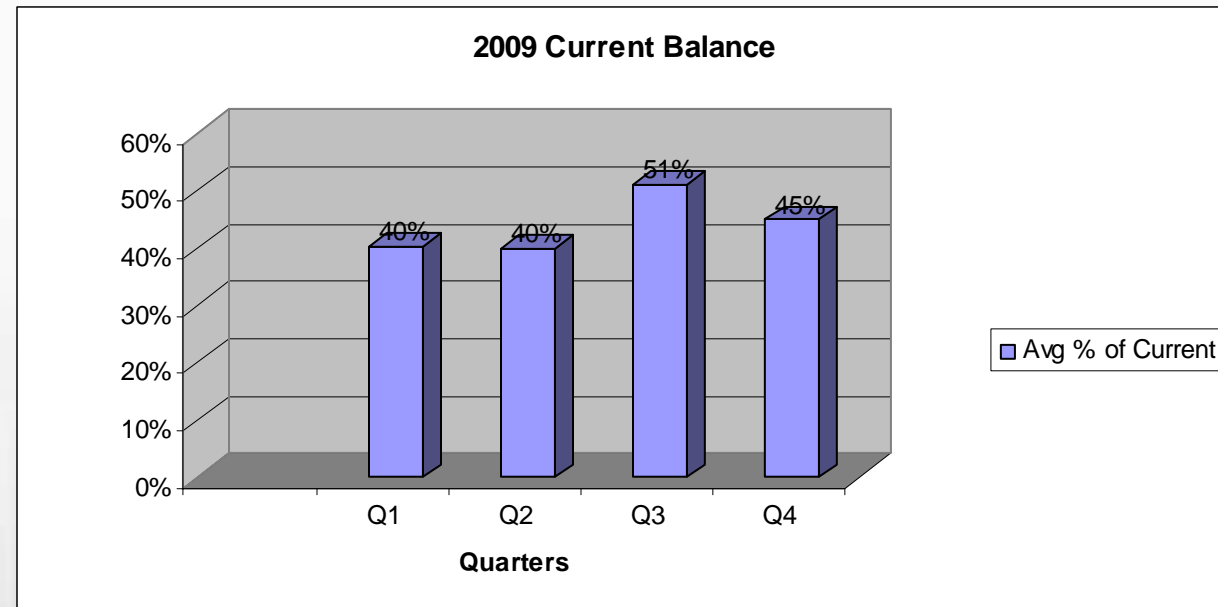
KPI - 2009 monthly breakout

2009 Original Balance





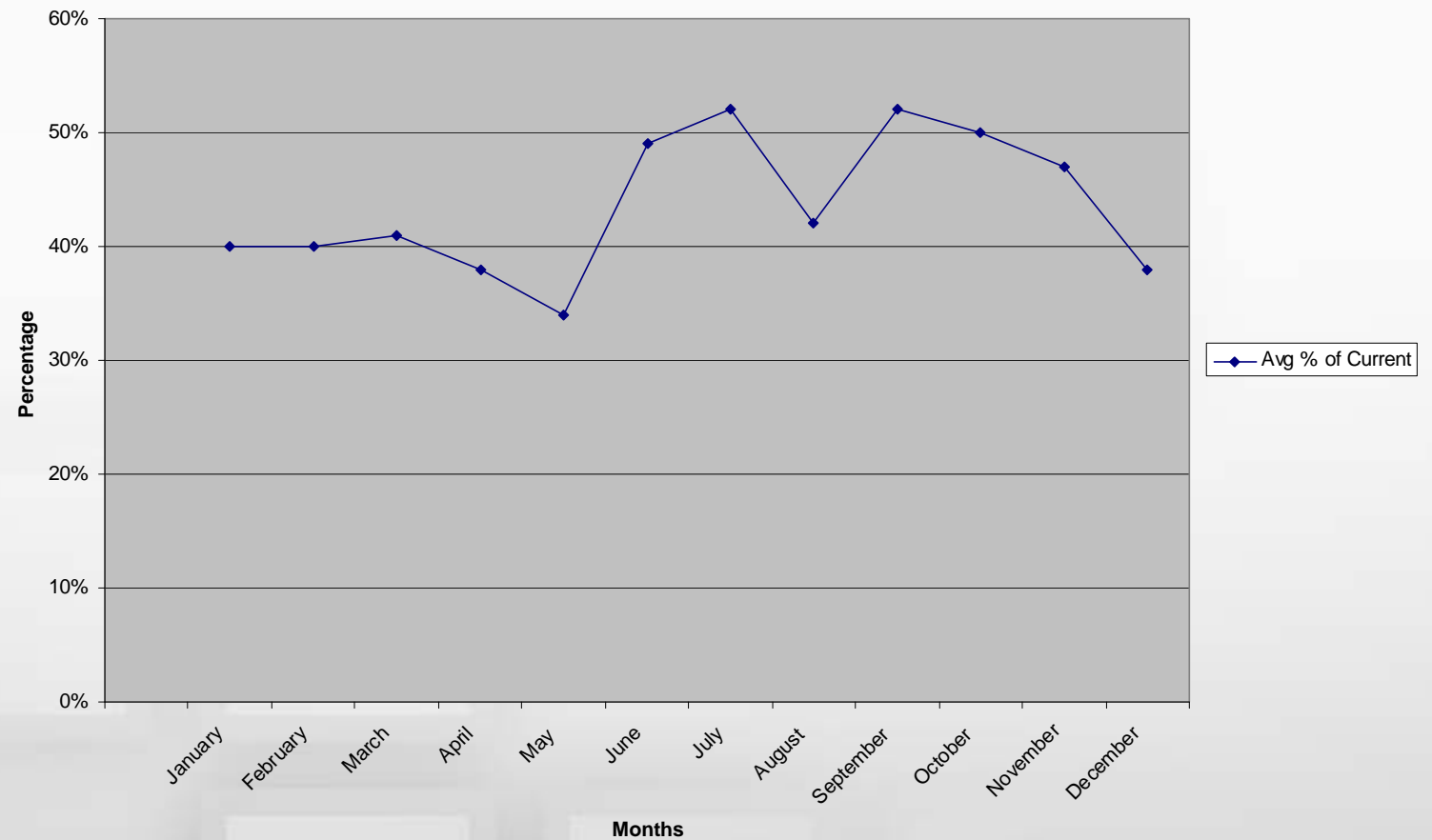
Measurement against current balance allows USDR to evaluate negotiator performance, creditor agreements and debt owner acceptance





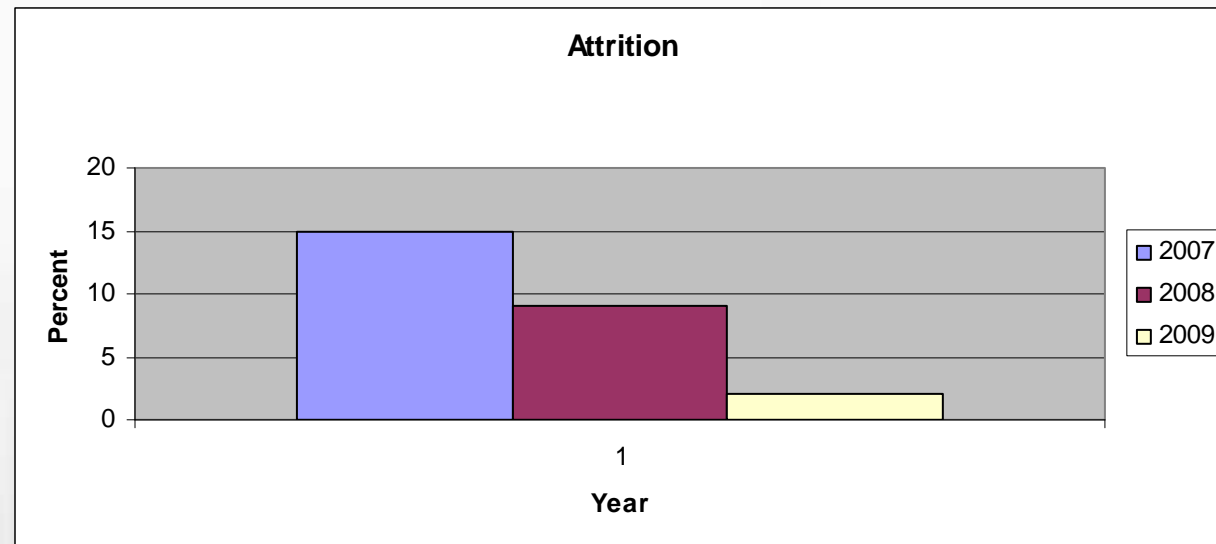
Comprehensive data indicates 52% performance for original balances and 44% for current balances settled

2009 Current Balance





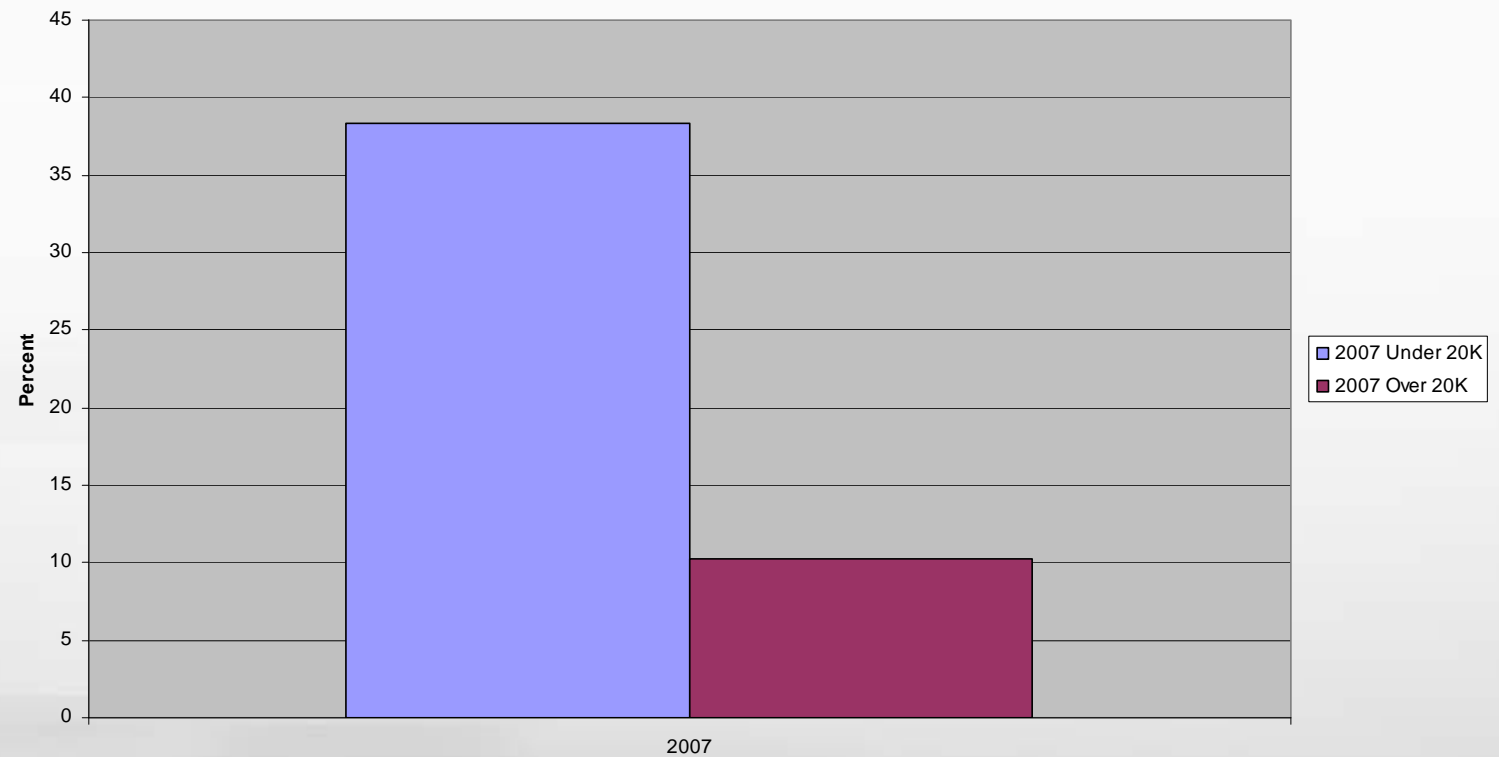
Trends indicate a 9% average attrition rate





Clients with a smaller debt load – debt comprised of many accounts and have low balances - results in higher accretion

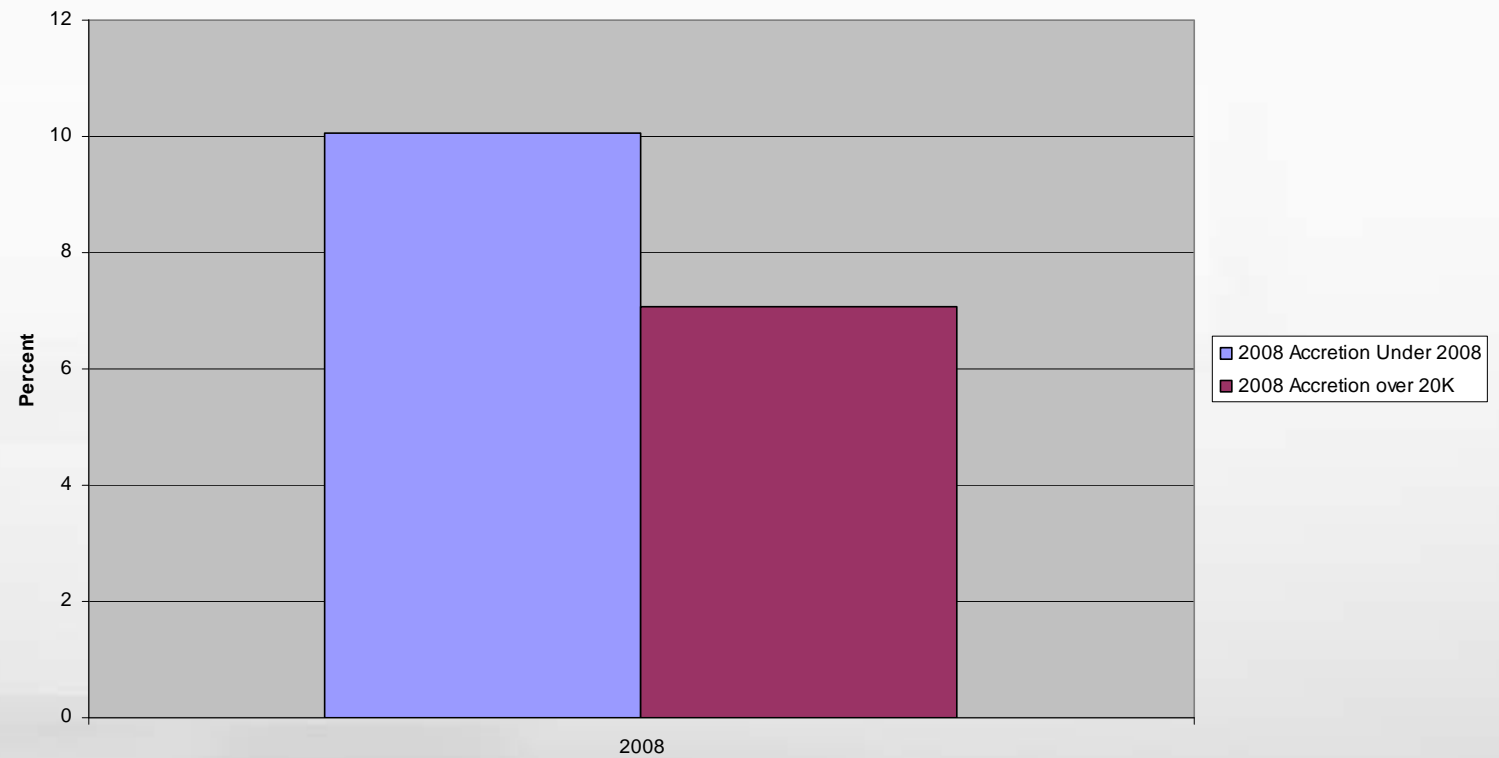
2007 Accretion Breakout





Reduction in accretion is reflected in increased average balance

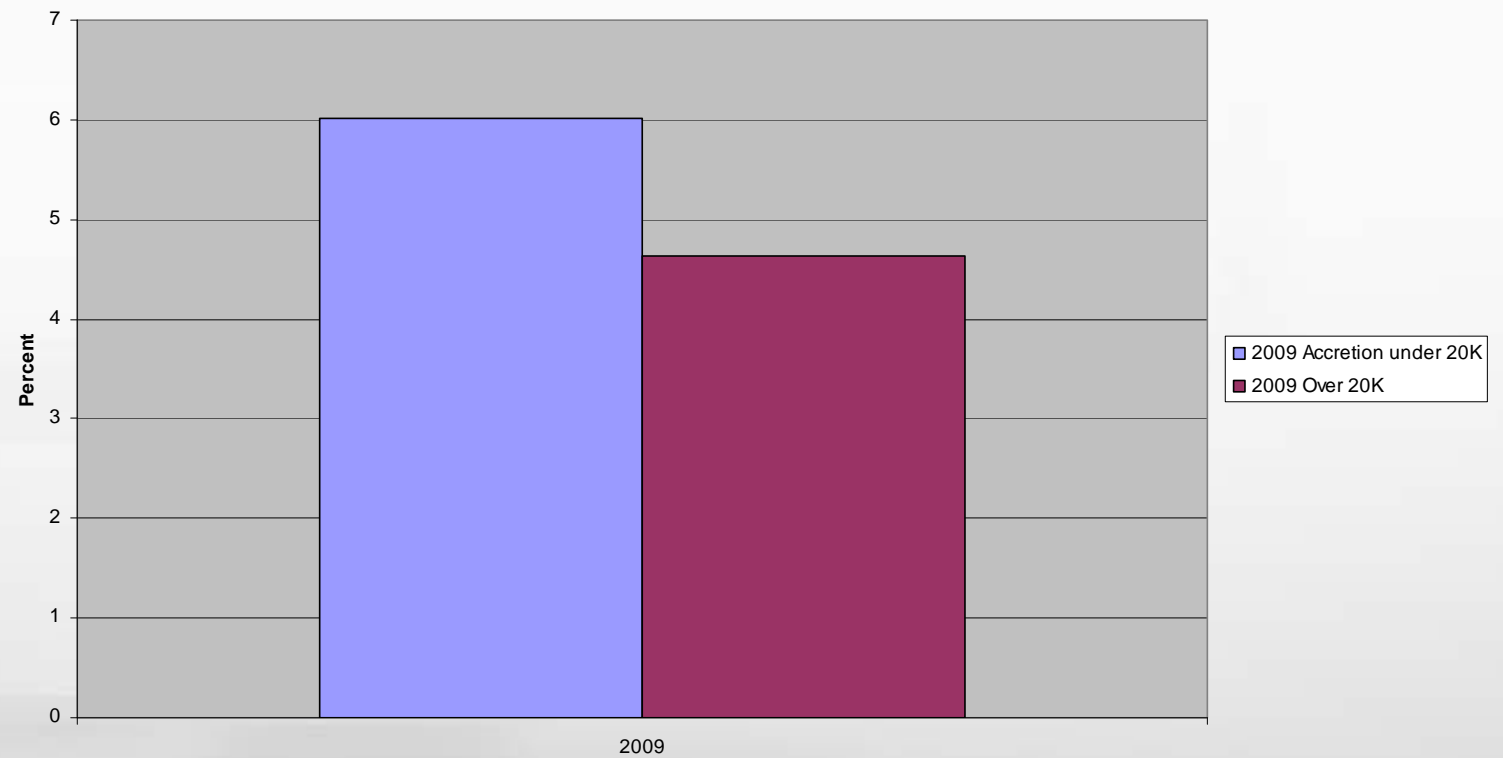
2008 Accretion Breakout





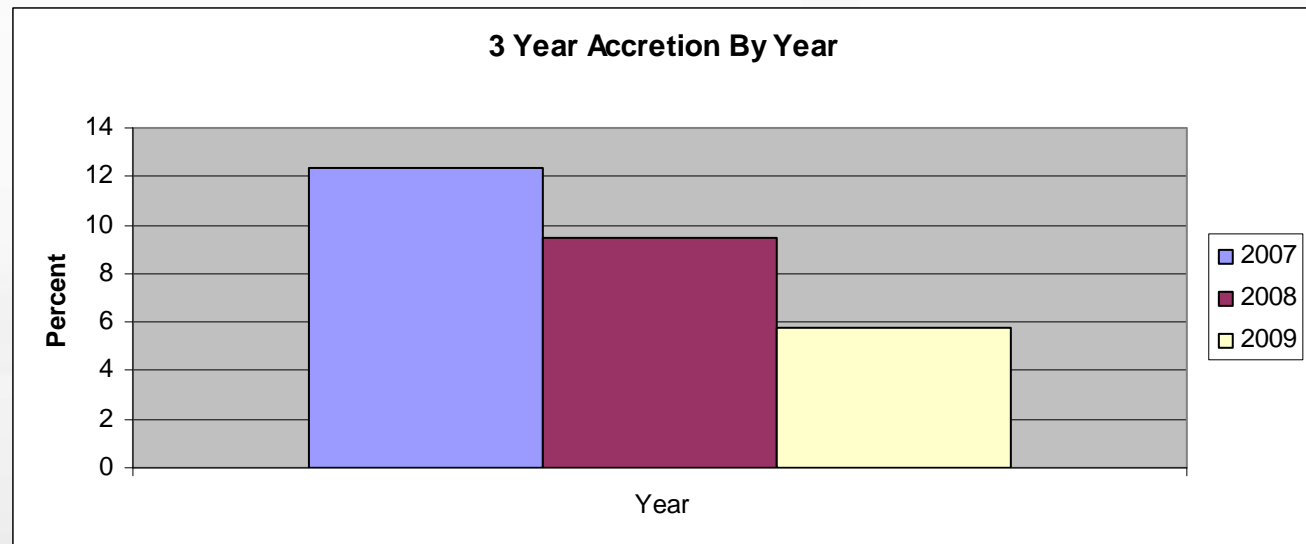
Time Frame of settlement decreases the accretion of a debt

2009 Accretion Breakout





A fee model designed to address accretion, the total cost of the program, and increased litigation, means designing a program that remits settlements to the debt owner in the shortest time frame possible





Overview of US Debt Resolve Graduates

Program Length	
Average	34 Months
Minimum	12 Months
Maximum	60 Months

Service Fees	
Average (%)	11.95%
Average Fee(\$)	\$3,615



Debt Loads

Average Debt	\$29,739
Minimum Debt	\$3,500
Maximum Debt	\$325,000

Average Original Balance

51.8%

Average Current Balance

43.48%

Accretion

Average	11.27%
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